

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Township of Bloomingdale	County Van Buren
Fiscal Year End March 31, 2007	Opinion Date June 28, 2007	Date Audit Report Submitted to State July 30, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

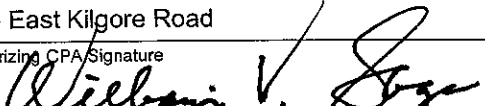
YES  
2

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	Not Required	
Other (Describe)	<input checked="" type="checkbox"/>	SAS 112 Letter	
Certified Public Accountant (Firm Name) Siegfried Crandall, PC		Telephone Number (269)381-4970	
Street Address 246 East Kilgore Road		City Kalamazoo	State MI
Zip 49002			
Authorizing CPA Signature 		Printed Name William V. Sage	License Number 1101008186

*Township of Bloomingdale*  
*Van Buren County, Michigan*  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REPORT**  
*Year ended March 31, 2007*

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Township of Bloomingdale, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Township of Bloomingdale, Michigan, as of March 31, 2007, and for the year then ended, which collectively comprise the Township's basic financial statements, as listed in the contents. These financial statements are the responsibility of Township of Bloomingdale, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Township of Bloomingdale, Michigan, as of March 31, 2007, and the respective changes in financial position, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The budgetary comparison information on pages 17 - 19 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The Township of Bloomingdale, Michigan, has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Bloomingdale, Michigan's basic financial statements. The supplementary information, as listed in the contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Siegfried Crandall P.C.*

June 28, 2007

## **BASIC FINANCIAL STATEMENTS**

**Township of Bloomingdale**  
**STATEMENT OF NET ASSETS**  
March 31, 2007

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	<b><u>Governmental activities</u></b>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 831,945
Receivables, net	127,935
Prepaid expenses	<u>6,411</u>
Total current assets	<u>966,291</u>
Noncurrent assets:	
Capital assets not being depreciated	236,301
Capital assets, net of accumulated depreciation	<u>1,213,168</u>
Total noncurrent assets	<u>1,449,469</u>
Total assets	<u>2,415,760</u>
<b>LIABILITIES</b>	
Current liabilities:	
Payables	6,080
Current portion of long-term obligations	<u>4,944</u>
Total current liabilities	11,024
Noncurrent liabilities:	
Long-term obligations	<u>65,487</u>
Total liabilities	<u>76,511</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	1,379,038
Restricted for:	
Public works	109,198
Unrestricted	<u>851,013</u>
Total net assets	<u><u>\$ 2,339,249</u></u>

See notes to financial statements

**Township of Bloomingdale**  
**STATEMENT OF ACTIVITIES**  
Year ended March 31, 2007

	<u>Program revenues</u>				<u>Net (expenses) revenues and changes in net assets</u>
	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	<u>Governmental activities</u>
<b>Functions/Programs</b>					
Governmental activities:					
Legislative	\$ 6,331	\$ -	\$ -	\$ -	\$ (6,331)
General government	189,424	52,456	2,042	10,292	(124,634)
Public safety	111,604	53,387	-	-	(58,217)
Public works	239,994	31,251	2,314	-	(206,429)
Culture and recreation	13,022	-	4,000	-	(9,022)
Community and economic development	-	1,047	-	-	1,047
Interest on long-term obligations	2,436	-	-	-	(2,436)
 Total governmental activities	 \$ 562,811	 \$ 138,141	 \$ 8,356	 \$ 10,292	 (406,022)
General revenues:					
Taxes					370,517
State grants					205,064
Investment income					23,398
Miscellaneous					200
 Total general revenues					 599,179
 Change in net assets					 193,157
 Net assets - beginning					 2,146,092
 Net assets - ending					 \$ 2,339,249

See notes to financial statements

**Township of Bloomingdale**  
**BALANCE SHEET - governmental funds**  
 March 31, 2007

	<u>General</u>	<u>Roads</u>	<u>Other nonmajor governmental funds</u>	<u>Total governmental funds</u>
<b>ASSETS</b>				
Cash	\$ 817,693	\$ -	\$ 14,252	\$ 831,945
Receivables	127,935	-	-	127,935
Total assets	<u>\$ 945,628</u>	<u>\$ -</u>	<u>\$ 14,252</u>	<u>\$ 959,880</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Payables	<u>\$ 6,080</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,080</u>
Fund balances:				
Reserved for public works	109,198	-	-	109,198
Unreserved	830,350	-	-	830,350
Unreserved; reported in nonmajor special revenue funds	<u>-</u>	<u>-</u>	<u>14,252</u>	<u>14,252</u>
Total fund balances	<u>939,548</u>	<u>-</u>	<u>14,252</u>	<u>953,800</u>
Total liabilities and fund balances	<u>\$ 945,628</u>	<u>\$ -</u>	<u>\$ 14,252</u>	<u>\$ 959,880</u>
Total fund balances				\$ 953,800
Amounts reported for <i>governmental activities</i> in the statement of net assets (page 4) are different because:				
Capital assets used in <i>governmental activities</i> are not financial resources and, therefore, are not reported in the funds.				1,449,469
Long-term liabilities, including contracts payable, are not due and payable in the current period and, therefore, are not reported in the funds.				(70,431)
Prepaid expenses are not a current financial resource and, therefore, are not reported in the funds.				<u>6,411</u>
Net assets of <i>governmental activities</i>				<u>\$ 2,339,249</u>

See notes to financial statements



**Township of Bloomingdale****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -****governmental funds**

Year ended March 31, 2007

	<u>General</u>	<u>Roads</u>	<u>Total nonmajor governmental funds</u>	<u>Total governmental funds</u>
<b>REVENUES</b>				
Taxes	\$ 96,148	\$ 310,361	\$ -	\$ 406,509
Licenses and permits	11,011	-	-	11,011
State grants	207,378	-	-	207,378
Intergovernmental	-	-	4,000	4,000
Charges for services	64,602	-	-	64,602
Interest	27,598	-	-	27,598
Other	-	5,024	19,554	24,578
	<u>406,737</u>	<u>315,385</u>	<u>23,554</u>	<u>745,676</u>
Total revenues				
<b>EXPENDITURES</b>				
Legislative	6,331	-	-	6,331
General government	180,892	-	-	180,892
Public safety	60,402	-	-	60,402
Public works	356,465	-	-	356,465
Culture and recreation	-	-	9,226	9,226
Capital outlay	12,878	-	29,691	42,569
Debt service:				
Principal	4,750	-	-	4,750
Interest	2,436	-	-	2,436
	<u>624,154</u>	<u>-</u>	<u>38,917</u>	<u>663,071</u>
Total expenditures				
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(217,417)</u>	<u>315,385</u>	<u>(15,363)</u>	<u>82,605</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	334,739	-	10,000	344,739
Transfers out	<u>(10,000)</u>	<u>(315,385)</u>	<u>(19,354)</u>	<u>(344,739)</u>
Total other sources (uses)	<u>324,739</u>	<u>(315,385)</u>	<u>(9,354)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	107,322	-	(24,717)	82,605
<b>FUND BALANCES - BEGINNING</b>	<u>832,226</u>	<u>-</u>	<u>38,969</u>	<u>871,195</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 939,548</u>	<u>\$ -</u>	<u>\$ 14,252</u>	<u>\$ 953,800</u>

See notes to financial statements

***Township of Bloomingdale***

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
governmental funds (Continued)**

*Year ended March 31, 2007*

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	<b><i>Total governmental funds</i></b>
	<hr/>
Net change in fund balances - total governmental funds	\$ 82,605
Amounts reported for <i>governmental activities</i> in the statement of activities (page 5) are different because:	
Capital assets:	
Assets acquired	209,539
Provision for depreciation	(103,776)
Long-term debt:	
Principal repayments	4,750
Changes in other assets:	
Prepaid expense	<hr/> 39
Change in net assets of <i>governmental activities</i>	<hr/> <hr/> \$ 193,157

*See notes to financial statements*

***Township of Bloomingdale***  
**STATEMENT OF FIDUCIARY NET ASSETS - *agency funds***  
*March 31, 2007*

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**ASSETS**

Cash	\$ <u>1,819</u>
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**LIABILITIES**

Due to other governmental units	\$ <u>1,819</u>
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*See notes to financial statements*

***Township of Bloomingdale***  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of the Township of Bloomingdale, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies.

*a) Reporting entity:*

The accompanying financial statements present only the Township. There are no component units, entities for which the Township is considered to be financially accountable.

*b) Government-wide and fund financial statements:*

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the Township. The effect of inter-fund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

*c) Measurement focus, basis of accounting, and financial statement presentation:*

The government-wide financial statements are reported using the economic resources, measurement focus, and the accrual basis of accounting, as is the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources, measurement focus, and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are expected to be collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

**Township of Bloomingdale**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

*c) Measurement focus, basis of accounting, and financial statement presentation (continued):*

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Roads Fund accounts for the financial resources used for the expansion and maintenance of roads within the Township. Revenues are primarily derived from property taxes.

The Township reports a single fiduciary fund, Agency Fund, which accounts for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted as they are needed.

*d) Assets, liabilities, and net assets or equity:*

*i) Bank deposits* - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Pooled interest income is proportionately allocated to all funds.

*ii) Receivables* - No allowance for uncollectible accounts has been recorded as the Township considers all receivables to be fully collectible.

*iii) Prepaid items* - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

**Township of Bloomingdale**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

*d) Assets, liabilities, and net assets or equity (continued):*

*iv) Capital assets* - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets, other than infrastructure are defined by the government as assets with an initial individual cost of more than \$1,000 (\$10,000 for infrastructure assets) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning April 1, 2004.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10 - 40 years
Equipment	3 - 5 years
Vehicles	3 - 20 years
Infrastructure	10 - 40 years

*v) Fund equity* - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

*vi) Property tax revenue recognition* - Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on or before February 14, after which time the bill becomes delinquent and penalties and interest may be assessed by the Township. The Township considers property taxes levied December 1 to be revenue of the current year.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

**Budgetary information** - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the function level. All annual appropriations lapse at the end of the fiscal year.

The following schedule sets forth significant budget variations:

<u>Fund</u>	<u>Function</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance</u>
Roads	Transfers out	\$ 294,120	\$ 315,385	\$ (21,265)
Other governmental	Capital outlay	3,000	29,691	(26,691)

**Township of Bloomingdale**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 3 - CASH**

The Township's cash is as follows:

	<u>Governmental activities</u>	<u>Fiduciary</u>	<u>Totals</u>
Cash	<u>\$ 831,945</u>	<u>\$ 1,819</u>	<u>\$ 833,764</u>

State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Township will not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not covered by federal depository insurance and are uncollateralized. At March 31, 2007, \$657,678 of the Township's bank balances of \$842,163 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The Township believes that it is impractical to insure all bank deposits due to the amounts of the deposits and the limits of FDIC insurance. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the risk level of each institution. Only the institutions with an acceptable estimated risk level are used as depositories.

**NOTE 4 - RECEIVABLES:**

Receivables as of year end for the government's individual major and nonmajor funds, in the aggregate, are as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Property taxes</u>	<u>Special assessments</u>	<u>Inter- governmental</u>	<u>Totals</u>
General	<u>\$ 3,348</u>	<u>\$ 56,919</u>	<u>\$ 636</u>	<u>\$ 67,032</u>	<u>\$ 127,935</u>

All receivables are due within one year.

**Township of Bloomingdale**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 5 - CAPITAL ASSETS:**

Capital asset activity for the year ended March 31, 2007, was as follows:

	<i>Beginning balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending balance</i>
Governmental activities:				
Capital assets not being depreciated - land	\$ 236,301	\$ -	\$ -	\$ 236,301
Capital assets being depreciated:				
Buildings and improvements	780,064	34,819	-	814,883
Equipment	181,180	10,292	-	191,472
Vehicles	505,150	-	-	505,150
Infrastructure	315,139	164,428	-	479,567
Subtotal	1,781,533	209,539	-	1,991,072
Less accumulated depreciation for:				
Buildings and improvements	(203,262)	(19,447)	-	(222,709)
Equipment	(98,188)	(13,067)	-	(111,255)
Vehicles	(322,537)	(23,305)	-	(345,842)
Infrastructure	(50,141)	(47,957)	-	(98,098)
Subtotal	(674,128)	(103,776)	-	(777,904)
Total capital assets being depreciated, net	1,107,405	105,763	-	1,213,168
Governmental activities capital assets, net	\$ 1,343,706	\$ 105,763	\$ -	\$ 1,449,469

Depreciation expense was charged to functions of the Township as follows:

Governmental activities:	
General government	\$ 12,453
Public safety	39,934
Public works	47,957
Culture and recreation	3,432
	<u>\$ 103,776</u>



**Township of Bloomingdale**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 6 - NONCURRENT LIABILITIES:**

Long-term debt at March 31, 2007, is comprised of an \$85,000, 2004 Installment Purchase Agreement due in monthly installments of \$599, including interest at 3.29%. Final payment is due January 2019.

Long-term debt activity for the year ended March 31, 2007, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Purchase agreement	\$ 75,181	\$ -	\$ (4,750)	\$ 70,431	\$ 4,944

At March 31, 2007, debt service requirements on long-term debt are follows:

<u>Year ended March 31,</u>	<u>Governmental activities</u>	
	<u>Principal</u>	<u>Interest</u>
2008	\$ 4,944	\$ 2,243
2009	5,109	2,078
2010	5,280	1,097
2011	5,456	1,731
2012	5,638	1,549
2013-2017	31,146	4,790
2018-2019	<u>12,858</u>	<u>412</u>
Totals	\$ 70,431	\$ 13,900

**NOTE 7 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:**

A summary of interfund transfers for the year ended March 31, 2007, is as follows:

<u>Fund</u>	<u>Transfer in</u>	<u>Fund</u>	<u>Transfer out</u>
General	\$ 334,739	Roads	\$ 315,385
		Other governmental	18,707
		Other governmental	<u>647</u>
			334,739
Other governmental	<u>10,000</u>	General	<u>10,000</u>
Totals	\$ <u>344,739</u>		\$ <u>344,739</u>

The transfer to the General Fund represents a transfer of restricted revenues collected in the Roads Fund and other governmental nonmajor funds to pay for costs reported in the General Fund.

The transfer from the General Fund to the other governmental nonmajor funds represents operational support.

**Township of Bloomingdale**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 8 - CONSTRUCTION CODE ACT:**

A summary of construction code enforcement transactions for the year ended March 31, 2007, is as follows:

Permit revenue	\$ 10,786
Inspections	(10,713)
Prior year's deficiency	<u>(209)</u>
Deficiency of revenues over expenses	\$ <u>(136)</u>

**NOTE 9 - RISK MANAGEMENT:**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

**NOTE 10 - DEFINED CONTRIBUTION PENSION PLAN:**

The Township provides pension benefits for all its elected officials through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Michigan State Statute assigns the authority to establish and amend benefit provisions to the Township Board of Trustees. Officials are eligible to participate from the date they are elected to office. The Township annually contributes 15% of the participant's base salary and participants are immediately 100% vested. The Township and its officials made the required contributions of \$7,320 and \$4,880, respectively. The Township is not a trustee of the plan, nor is the Township responsible for investment management of plan assets.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Township of Bloomingdale**  
**BUDGETARY COMPARISON SCHEDULE - General Fund**  
Year ended March 31, 2007

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>REVENUES</b>				
Taxes	\$ 90,898	\$ 90,898	\$ 96,148	\$ 5,250
Licenses and permits	16,025	16,025	11,011	(5,014)
State grants	213,362	213,362	207,378	(5,984)
Charges for services	50,800	50,800	64,602	13,802
Interest	12,200	22,000	27,598	5,598
Other	100	100	-	(100)
Total revenues	<u>383,385</u>	<u>393,185</u>	<u>406,737</u>	<u>13,552</u>
<b>EXPENDITURES</b>				
Legislative	<u>6,340</u>	<u>6,340</u>	<u>6,331</u>	<u>9</u>
General government:				
Supervisor	17,470	17,470	16,957	513
Election	5,400	5,400	4,018	1,382
Assessor	20,900	20,900	22,333	(1,433)
Clerk	22,225	22,225	22,191	34
Board of review	1,426	1,426	1,329	97
Treasurer	26,325	26,325	25,206	1,119
Hall and grounds	18,650	18,650	20,638	(1,988)
Cemetery	39,000	39,000	31,042	7,958
Other	39,550	39,550	37,178	2,372
Total general government	<u>190,946</u>	<u>190,946</u>	<u>180,892</u>	<u>10,054</u>
Public safety:				
Fire protection	69,650	69,650	40,450	29,200
Ordinance enforcement	12,050	12,050	9,239	2,811
Building inspections	16,000	16,000	10,713	5,287
Total public safety	<u>97,700</u>	<u>97,700</u>	<u>60,402</u>	<u>37,298</u>
Public works:				
Highways and streets	374,570	374,570	318,951	55,619
Weed control	22,289	22,289	19,894	2,395
Sanitation	36,475	36,475	14,161	22,314
Drains	1,710	1,710	3,459	(1,749)
Total public works	<u>435,044</u>	<u>435,044</u>	<u>356,465</u>	<u>78,579</u>

**Township of Bloomingdale**  
**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**  
Year ended March 31, 2007

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>EXPENDITURES (Continued)</b>				
Culture and recreation	\$ 600	\$ 600	\$ -	\$ 600
Capital outlay	20,000	20,000	12,878	7,122
Debt service - principal	4,700	4,700	4,750	(50)
Debt service - interest	2,460	2,460	2,436	24
Total expenditures	757,790	757,790	624,154	133,636
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	(374,405)	(364,605)	(217,417)	147,188
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
Roads Fund	294,120	294,120	315,385	21,265
Weed Control Fund	22,289	22,289	18,707	(3,582)
Snow Plowing Fund	-	-	647	647
Total transfers in	316,409	316,409	334,739	18,330
Transfers out - Parks and Recreation Fund	(10,000)	(10,000)	(10,000)	-
Total other sources (uses)	306,409	306,409	324,739	36,660
<b>NET CHANGE IN FUND BALANCES</b>	(67,996)	(58,196)	107,322	183,848
<b>FUND BALANCES - BEGINNING</b>	832,226	832,226	832,226	-
<b>FUND BALANCES - ENDING</b>	\$ 764,230	\$ 774,030	\$ 939,548	\$ 183,848

**Township of Bloomingdale**  
**BUDGETARY COMPARISON SCHEDULE - Roads Fund**  
Year ended March 31, 2007

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>REVENUES</b>				
Taxes	\$ 294,120	\$ 294,120	\$ 310,361	\$ 16,241
Other	<u>-</u>	<u>-</u>	<u>5,024</u>	<u>5,024</u>
Total revenues	294,120	294,120	315,385	21,265
<b>OTHER FINANCING USES</b>				
Transfer out - General Fund	<u>(294,120)</u>	<u>(294,120)</u>	<u>(315,385)</u>	<u>(21,265)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **SUPPLEMENTARY INFORMATION**

**Township of Bloomingdale**  
**COMBINING BALANCE SHEET - nonmajor governmental funds**  
 March 31, 2007

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	<u>Special revenue funds</u>			<u>Totals</u>
	<u>Snow Plowing</u>	<u>Weed Control</u>	<u>Parks and Recreation</u>	
<b>ASSETS</b>				
Cash	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,252</u>	<u>\$ 14,252</u>
<b>BALANCES</b>				
Fund balance:				
Unreserved, undesignated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,252</u>	<u>\$ 14,252</u>



**Township of Bloomingdale**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - nonmajor governmental funds**  
Year ended March 31, 2007

	<u>Special revenue funds</u>			
	<u>Snow Plowing</u>	<u>Weed Control</u>	<u>Parks and Recreation</u>	<u>Totals</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 4,000	\$ 4,000
Other:				
Special assessments	647	18,707	-	19,354
Miscellaneous	-	-	200	200
Total revenues	<u>647</u>	<u>18,707</u>	<u>4,200</u>	<u>23,554</u>
<b>EXPENDITURES</b>				
Culture and recreation	-	-	9,226	9,226
Capital outlay	-	-	29,691	29,691
Total expenditures	<u>-</u>	<u>-</u>	<u>38,917</u>	<u>38,917</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>647</u>	<u>18,707</u>	<u>(34,717)</u>	<u>(15,363)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	10,000	10,000
Transfers out	(647)	(18,707)	-	(19,354)
Total other sources (uses)	<u>(647)</u>	<u>(18,707)</u>	<u>10,000</u>	<u>(9,354)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(24,717)	(24,717)
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>38,969</u>	<u>38,969</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,252</u>	<u>\$ 14,252</u>

**Members of the Township Board  
Township of Bloomingdale, Michigan**

In planning and performing our audit of the financial statements of the Township of Bloomingdale as of and for the year ended March 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Township Bloomingdale's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Our consideration of internal control included procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented, but it did not include procedures to test the operating effectiveness of controls, and accordingly, was not directed to discovering significant deficiencies in internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the following deficiency constitutes a material weakness.

The Township does not have procedures in place to prepare financial statements in accordance with U.S. generally accepted accounting principles, including procedures to record revenue and expenditure accruals, and changes in capital assets, and to present required financial statement disclosures.

This communication is intended solely for the information and use of the Board of Trustees of the Township of Bloomingdale and the State of Michigan Department of Treasury and is not intended to be and should not be used by anyone other than these specified parties.

*Siegfried Crandall P.C.*

June 28, 2007